

The dynamics of barter trade among Cebuano farmers

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ABSTRACT

Barter is an old process of doing business in the olden times without the use of money. It is surprising to note that, during this age of technology and borderless commercialization, barter is still useful and is even used with technology. The study aimed to document the barter system used by Cebuano farmers to find out if this business process is still profitable. Moreover, both the economic and social implications are recorded in relation to Filipino culture. The findings revealed three types of barter: (1) goods with goods; (2) goods with service; and (3) extended barter system. Moreover, the farmers from northern and southern Cebu realized that the barter system was more profitable for them than selling their goods directly to consumers for money. Barter system revealed the peace-loving nature and generosity of Cebuanos.

Keywords: *barter, extended barter, business, entrepreneurship, economics*

I. INTRODUCTION

A long time ago there was no money – no coins and no paper bills. Before money was invented people had to get their food, clothing and other needs by bartering things. Barter comes from a French word, *barater*, which means “to trade.” Barter is an exchange of goods you have, for goods you want to have (Online Museum Educators, 2001).

Barter system was the only method wherein the economy of the primitive men depended on. After the development of economy, simple exchange of goods without the use of money was scarcely used because it has also its disadvantages. An individual who has goods to barter but nobody wanted them or the traders could not agree on what goods to barter, may

pose a problem on barter system. However, even with the aforementioned problems, bartering has also its benefits to the traders (Online Museum Educators, 2001).

Most of the time, bartering was a good way of getting things. But sometimes, there were problems. What happened when you had something to trade, but nobody wanted it? What happened when the traders could not agree on what was a fair trade? People had to agree as to how many eggs would equal a sack of grain or how many fish were enough to trade for a pot. What if you had something to trade that almost everybody wanted? Then it was easy to make a trade! So with these problems people began to use certain objects as money.

The evolution of currency was, therefore,

one of the significant inventions in the history of mankind that changed the face of the economic world, though it was slow and a long process. This evolution passed through different stages, which in turn mark the different interesting phases of human civilization (Thakur, 2008).

However, even with the use of money in the present times, people in the world, especially among farmers in rural areas still resort to barter system in order to dispose of their farm goods. Barter system has become global with the use of technology (Study Mode, 2012). Advertisements on what to trade and what they want in exchange are uploaded in the net. This is not only for large scale farmers but for every farmer who thinks that barter system is a better way of disposing goods rather than selling them directly in the markets.

Barter in the present time has revolutionized the farmers all over the world. Bartering of farm goods is done not only between two farmers but through a barter center. Goods are already priced in order to estimate the goods to be bartered. There are already organizations, companies or personnel that take charge of the bartering. In some way, barter system is already institutionalized especially in other countries

In the Philippines, during the ancient times, Filipinos usually used barter system for trading their products with those from other places (Coconut, 2007). Sometimes shells and gold were used as exchange materials. Lately, in 1993, the government is initiating a barter system program for its coffee products with other products of big foreign markets, especially those in the Eastern European countries (Palacpac, 1993). This is done to increase coffee exports. Some of the products to be bartered with coffee are military equipment from Romania.

My recent visit to farmlands in Cebu also revealed certain kind of barter system among farmers especially during harvest seasons. They also go out of their way to the city, to do barter of their goods, in exchange for anything they want. Some even do business with what they have bartered.

With the above scenario, this study would

like to document how barter system is still done by farmers and what are its benefits over the direct selling method. Secondly, the study would like to find out what business strategy can be conceptualized using barter system that would lead to more profit for the farmers, thus making this a poverty alleviation program. The objectives of the study were to: (1) describe the barter chain and players; (2) determine the benefits of barter using estimate profit margin; and (3) propose a barter mechanism for farmers based on local worldwide barter systems.

II. LITERATURE REVIEW

Bartering

According to Ware (2010) when times are tough, and prices of farm goods are low, it is an especially appropriate time to consider bartering. During these times, skipping the step of exchanging goods to cash and cash for what is needed, can lower overall outlay and make better use of resources. Moreover, it is just plain neighborly and community-building to trade things instead of formally purchasing or selling them. Many people who would not feel comfortable selling their carrots, at a farmers' market, do feel fine exchanging them for garlic or onions with fellow small farmers.

According to Ompang (2011), barter was the trading system used by the Mandaya tribes in the hinterlands of Davao Oriental, Philippines. Agriculture is the main industry and source of living. When *abacca* and coconut were abundant, the influx of foreign trading increased that paved way to cash economy. But even until this time, barter system is still exercised by the Mandaya farmers.

Benefits of Bartering

Barter is basically a personal activity of two persons. But when more people are doing barter, it is more than an individual action but may already influence the economic system. According to Stout (2012) it has various effects on the economy. People become less reliant on the job market because they can acquire goods and services without money. Moreover, bartering is

not very susceptible to inflation since no prices of commodities are involved except when bartering is based on money-based economy. Barter is a prosperous and gratifying way to do incremental business and improve cash flow (Yaffe, 2012).

Bartering has a different dynamic in “supply and demand” and allows businesses to sell goods and services to cash-poor customers. It leads to less money credit because we can pay for some goods and services by bartering and Barter clubs lend their units. It creates micro-economic systems. It re-defines money and economics. Bartering is a philosophical challenge to money-based economy (Stout, 2012).

Barter is not considered for its economic conditions only. It is a ritual and an expression of friendship -- and it is a natural, deep-rooted part of our heritage and humanity. It: (1) builds community; (2) decreases outlay of cash; (3) increases business recognition; (4) builds a name for yourself; (5) gets your product out there; (6) generates potential customers; (7) links with other farmers; (8) finds out what are their demands; (9) decreases your overall expense for needed goods and services; (10) moves surplus goods; and (11) makes use of “downtime” (try bartering for needed things in winter and offering childcare or other services) (Ware, 2010).

III. METHODOLOGY

Method

The case analysis was used to present the documentation of the barter practices of farmers classified according to the four types of barter system – goods to goods (GG), goods to service or vice versa (GS or SG), service to service (SS) and extended barter (EB). The unit of analysis is the type of barter system used by a farmer.

Choice of places of study. The sources of information were farmers from three rural areas, Lamac, Pinamungajan (South Cebu), Guadalupe, Cebu City (Central Cebu), and Caputatan, Medellin (North Cebu). The interviews and observations were done between January and August 2010. The choice of these places was to cover areas in Cebu where farmers may have different perceptions

and practices of bartering and assuming that at least a sample of the practices can be captured in each place.

Lamac is a big rice growing barangay (village) where most farmers are tenants of landed people who are residing in the city. It is located about 65 kilometers from the city. Farmers can sell their farm products in three markets near the place which is about 5-16 kilometers away – in the town market of Pinamungajan, Toledo City and Lutupan – which can be reached through a jeepney ride.

Barangay Guadalupe is part of Cebu City. Farmers are residing on the hilly sides, usually growing mangoes, but many are also into crop and vegetable farming. Their goods can be marketed in the big markets of Carbon, Taboan, and even in Malls located in the city proper.

Caputatan is a barangay in the sugarland of Medellin, about 80 kilometers north of Cebu. Most of the farmers are working in the haciendas, but still many of them manage to grow crops and vegetables. They usually sell their farm goods in the town market only due to difficulty in transportation facilities.

Research Informants. Farmers with experience in barter trade were selected through snowball sampling technique. A total of fourteen male informants were interviewed distributed as follows: Lamac – six informants, Guadalupe – four informants and Caputatan- four informants. The six informants from Lamac were all rice farmers aged 32-46, married and has been working in the farms for more than five years. The four informants from Guadalupe were all married and aged 40-53 and were root crop and mango growers. Three were mainly planting cassava (kamoteng kahoy), and one was a mango grower and trader. The farmers in Caputatan were all corn and vegetable growers. One was a widower and the three were married, aged 47-55. Eleven of the farmers were at high school levels, and three farmers were elementary undergraduates.

Study protocol. Each place was visited twice especially for those farmers interviewed for the study. After introductions, the farmers were

briefed on the purpose of the visit. These farmers (most often together with their wives) were asked questions and information were collected which included: (1) demography of the farmers in terms of their age, gender and education; (2) kind and amount of farm goods each farmer usually barter; (3) narratives on how the

bartering was done; (4) prevailing selling price of the goods; and (5) reasons why they resort to barter rather than selling. Some of the farmers were even interviewed in their farm sites during harvest time, and in stores where they bartered their goods.

Figure 1. Map of Cebu.



Price portfolios and profit margins.

Prevailing prices of goods were surveyed before the interviews were done. Transport costs and other expenses were considered as transaction costs. Farmers' prices of their goods were the prices at the farm level. Profit margin is the difference between the selling profit calculated by subtracting farm prices and transaction costs from the selling price and the barter profit calculated by subtracting the farm prices and transaction cost from the prevailing price of the goods exchanged for the farm goods.

Data Analysis. Responses from the informants were content analyzed as to the process of barter system, computation of the profit, the Filipino values embedded in the barter system. Themes would be deduced from the different barter systems.

Data Mining

Barter trade is done worldwide by farmers. This section presents the dynamics of bartering in different places obtained through data mining.

England. In Cumbria, England, farmers have already created a website where they could post their goods to be bartered and what they want in exchange. Big seed-producer companies, like DuPont Co., has also invaded the world of barter in South America. Even the Swiss company, Bayer AG and BASF SE of Germany have increasingly turned to barter, accepting farm crops instead of cash (Ligi & Kolesnikova, 2009).

Local farmers usually share labor especially in times of intense workload. However, recently many farmers have begun to 'trade' either their produce or their labor in a more proactive fashion. All aspects of the agricultural industry are accommodated, whether it is alive, dead, butchered, harvested or ready for retail sale. Labor and machinery are two of the most valuable assets anyone has to offer, and both can be idle when they really should be working (Ligi & Kolesnikova, 2009).

Barter is the oldest form of reward for one's hard work. Farmer's barter widens the area of contact of local bartering communities by helping farmers and smallholders broaden their circle of

acquaintances, helping them to search for items, or to barter items within a larger geographical area (Stout, 2009).

United Kingdom. Country Smallholding (2009) reports that farmers and smallholders exchange goods and services through a free website. The bartering is as straightforward process. A user registers, posts their listing and telephone contact number, and waits. If their listing is still on the site after three weeks, Farmer's Barter sends them an email to check if their item is still available or if it should be removed. The listings include seven categories: labor, horses/ponies, live animals, machinery, animal feed, fowl and produce. One very important barter item is labor because it helps neighbor farmers to juggle busy and quieter periods. Moreover, smallholders cannot afford handy labor.

The web barter process is mainly for smallholders. There are majority of them in the field now home-growing, either to avoid the credit crunch or to be more connected to the land. Some smallholders have a habit of over-producing thus bartering is more beneficial for them.

In the future Farmer's barter will continue to grow and also draw in farm shops that can benefit from knowing what surplus produce is available from farmers and smallholders. If the website becomes very busy and useful, the environment wins as well, because local produce is being shared without burning lots of food miles.

Holland. Windunie (Dutch for wind union) is a collective of 230 wind turbine owners, most of whom are farmers who operate turbines as an extra source of income. All sell the energy they produce directly to consumers. When consumers buy sustainable energy, a bucket of clean water is thrown into the pool. More people buying energy from wind farmers means that slowly but surely, the pool clears up. The farmers get certificates detailing how much energy they have produced, and standard electricity meters calculate how much energy is consumed in a home. The latter is deducted from the former, and a customer's annual energy bill specifies 'their' wind turbine's identification number (Ligi & Kolesnikova, 2009).

Siberia. In Siberia, farmers have too much grain and not enough cash for weed-killer. To solve the problem they employed the good old-fashioned barter. Sygenta, a chemical company agreed that a specific part of their harvest would be paid for the chemicals, and they would sell that forward on the future market. It was reported that most of the grain storage in the region are still filled with last year's grain. So they have to find a way to sell or barter the grains to make room for the new crop (Ligi & Kolesnikova, 2009).

Germany. The Swiss company and Germany's Bayer AG and BASF SE are increasingly turning to barter, accepting crops instead of cash. Many farmers are into credit and payment is coming very slow. To minimize payment risk, these companies is considering cashless trades. They are expanding their barter system to other emerging markets where there is growth but not less liquidity. The company is even hiring people to be trained specifically in barter (Ligi & Kolesnikova, 2009).

Russia. Local companies in Russia already use barter. Difficulty in getting credit among farmers helps kindle interest in barter. Widespread use of bartering in the years happened before and after the Soviet Union's collapse. However, the practice faded as free-market economic policies took hold. Today, Russia is the second-largest exporter of wheat. But recently, big companies of chemicals have returned to bartering chemicals with grains or soybeans from farmers which they believe can guarantee shipment at fixed prices and give farmers more liquidity and new opportunities. On their end, they could charge about 35 percent more on barter deals than on cash sales, reflecting the risks of price fluctuations (Ligi & Kolesnikova, 2009).

Chitza, Zimbabwe. Chitsa residents has difficulty in transacting everyday business involving money after their dollar decreased its value and secondly, because the community is located in a far-flung rural area. Thus, the usual practice was to pay for goods and services in kind so bartering become a way of life (Kwenda, 2009). The use of foreign currencies has a negative effect

on the economy in the rural areas because rural folks have no access to foreign currency. But they have found a way to trade by bartering. As one of the folks said:

"We accept this barter trade in the hope that whatever we get here will be exchanged for cash in town and give us an opportunity to restock our shops. There is nothing that we can do because these people just don't have access to money. Otherwise we have to close the shops."

Most of the people in the rural areas are peasant farmers and depend on their crops for their living. Farmers milled their maize and pay the services with part of the milled maize. To have a trip to a nearby town Masvingo, the farmers are forced to pay 20lt bucket of tomatoes which costs five times the fare to Masvingo. Farmers are helpless and resort to voluntarily give their produce in exchange of goods and services.

Peasant farmers have no choice but to submit to the requirement of business people especially on transport business. Personal needs as bathing soap, bread, cooking oil or anything that are used in the household is exchanged with farm goods according to what the shop owner wants. So farmers have difficulty in their barter system. Because of this difficulty of access to money, services are exchanged with goods. A teacher who conducts tutorials or final lessons is paid with farm goods (Kwenda, 2009).

United States of America. As reported by Stout (2009) barter is presently used in America among farmers. Food was a form of money in some earlier societies. People traded tobacco, salt, grain, fish, rice, olive oil, tea, with other edible goods. Someone would swap away some surplus home-grown vegetables for an auto repair.

According to Stout (2009), barter among farmers can be done through the following ways:

1. Barter for someone's garden produce. Many gardeners have surplus fruits and vegetables which they are willing to trade.
2. Barter with farmers during farmer's market.

Bring things they might need and barter with their goods.

3. Barter for goods and services for our vegetable garden. We can get fertilizer, a water-hose, irrigation pipes, a fence to protect the garden, a greenhouse, young plants from a nursery, a gardening consultant — and a gardener, so that we don't need to do the work ourselves.
4. Barter for the use of land. At one barter club, a person offered one of his goats, in exchange for some pasture-land where the other goats could graze. (Refer to the chapter regarding bartering for real estate.)
5. Land-owners might be happy to let us take their apples and walnuts and other foods that would otherwise rot and have to be cleaned up. We are bartering our labor for the food which the land-owner doesn't want anyway.
6. Barter for rental items. For example, if farmers don't want to trade for the ownership of an apple press, we can barter to use one for a single day. We might also rent a food dehydrator, a tractor, a rototiller, a meat smoker, a ladder for fruit-picking, a fishing pole, or another device used for acquiring or processing food.

The data mining of barter system in different countries would show that barter system in the modern times is very beneficial to both farmers and traders. It made marketing of farm goods easier and it can build closer community relationship. Except for some places, like Zimbabwe, farmers were served and facilitated in disposing their produce and in obtaining what they wanted.

The data would also reveal advantages on companies that supply farm requirements as chemicals and fertilizers. These companies are looking forward to barter trade in many countries as they have experienced the benefits of the practice.

IV. RESULTS AND DISCUSSION

In the Philippines, particularly in Cebu, farmers are practicing barter. This study documented the experiences of Cebuano farmers in their bartering practices. Results of the study is presented by type of barter system as arbitrarily classified according to the experiences by the informants in different places.

Goods to Goods Barter (GG). Goods to goods barter is exchanging farm goods with another farm goods or other goods. In Lamac, *Mang Lucio* (not his real name) has been into barter since 1960's. Today he's already 67 years old, but still is very active in rice farming. Every harvest season, he and other farmers would go to the rice fields early in the morning, bringing their "baon" (food for the whole day) for lunch and snacks. However, in 1960's someone initiated to bring "shakoy" (mixture of flour, sugar and butter, formed into big sticks and deep fried) in the farm for snacks. She did not sell the *shakoy* but bartered one *shakoy* with 1 caltex (usual measure used in the rural area which is equivalent to ½ kilo) of unmilled rice. Then Mang Lucio said that after sometime, traders do not only bring *shakoy* but different food stuffs, drinks and cigarettes for barter as well. It is still practiced today, but farmers who have money to buy realized that it is to their disadvantage. For many years, they did not realize that they were at a losing end.

An example below can explain the loss of the farmer of about 75%:

1 shakoy (in the market) = P 3.00

1 caltex of unmilled rice = P 8.00

"Dugay ra diay mi nga naalkanse. Pero wa lang mi makakita kay gutom na man. Lami na ikaon sa shakoy. Busa sayon ra mokabo lang dayon ug tipasi para ibayad. (We did not know that we were at a loss. We did not notice it because we were already hungry. It was so tempting to eat the shakoy. It is very easy to get a Caltex of unmilled rice from the pile to pay.)"

This was also true with the other food stuffs and goods. However, *Mang Lando* expressed that they have good harvest before when fertilizers were cheaper and the irrigation system was good. Thus, they were just too happy to share their harvests. The six informants were one in saying that only few farmers are practicing barter presently, not because it is disadvantageous on their part but because there are already many traders who come and trade their goods. The farmers can choose to barter or get the goods for credit and pay later when they can sell their rice.

Two farmers, Lucas and Luis, with produce of root crops or bananas usually barter their goods in the town during Christmas season.

"Ang mga tawo mas mangihatagon kung panahon sa Pasko. Busa mayo nga pailisan lang kay sa ibaligya. Mas daghan ka ug madawat. (People are more generous during Christmas season. So, it is better to barter than to sell. We can receive more than the value of our farm goods.)"

Many farmers imitated them. So during Christmas season, farmers can be seen in the town to barter their goods especially on market days. They can exchange their goods with clothing, personal goods, or even old kitchen wares which they needed.

The Guadalupe and Caputatan farmers usually come to the city or in the town proper to trade their crops usually on Saturdays or Sundays when people do not have work. They go to a house and request the husband or wife not to buy their farm goods but exchanged them with used clothing, food stuffs or anything that they can be disposed of but still are useful.

Mang Gardo from Guadalupe and his wife narrated that at the beginning, it was so difficult to convince people to barter their goods. But after so many persuasions some people submit to their idea and once you can find a *suki* (a regular customer) then it's very easy to have the barter trade. Mang Gardo has experienced that every Christmas, they are well blessed with so many goods bartered with their one sack of sweet

potato or cassava.

"Maikog unta mi kay daghan kayo ang giilis sa among usa ka sako nga kamoteng kahoy. Pero miingon sila nga daghan sad kuno sila'g nadawat nga grasya gikan sa Ginoo. Busa ila kining ipamahin sa uban. (We were ashamed to receive the goods because it was so much over than the value of our one sack of cassava. But they said that they also received so many blessings from God and they would like to share these to others.)"

As of now, they have three *suki* in Beverly Hills (a subdivision of millionaires in Cebu City) that they usually bring farm goods regularly, whatever they can harvest. *Mang Miguel* also has experienced the same situation, but he usually brings mangoes to his *suki*. The other two farmers are still doing barter but only occasionally. They do not have *suki* but said that they usually go to stores and barter their bananas, vegetables and young coconuts with the food stuffs they are selling like dried fish, rice, and canned goods. Most often their barter partners are storeowners.

For the Guadalupe farmers, there is more profit in barter than selling directly. Their one sack of cassava costs P140.00 only. But it is exchanged with used clothing, shoes, bags or anything that their *suki* would like to give. Most often, they are reimbursed of their transportation expenses especially *Mang Miguel* who's bartering mangoes.

Farmers in Caputatan seldom do barter but if they do, it's because they wanted some things or goods. According to *Mang Cardo*, one time he really wanted to have a school bag for his son but they could not afford to buy one. He found a bag in a second hand store and requested the storekeeper that he will just exchange the bag with vegetables. The barter was done. According to him the bag cost about P100.00 but his vegetables cost less than P100.00.

Another farmer, *Mang Carlos* was given a cap and sunglasses by a visitor. Although the visitor did not expect something in return, he gave the

latter vegetables from his farm. And this was the beginning of their barter trade. Every time this visitor would come, he would bring food stuffs for the children of *Mang Carlos*, as bread, cookies, rice and sometimes, even school materials. *Mang Carlos* always exchanges these with whatever he can give – most often young coconuts and bananas. The farmers alleged that most often what they received is higher in value than what they give. One time *Mang Carlos* computed his estimated profit when he bartered his 10 young coconuts worth P100.00 (prevailing price in Caputatan) and ½ kilo of dried fish worth P65.00 (prevailing price in Caputatan) with his visitor. What he received were 5 kilos of rice (P150.00), 5 cans of sardines (P60.00), bread and cookies (P60.00) and an umbrella (P100.00). So he has an estimated gain of 100% more than what he bartered.

Mang Carding, vegetable farmer, was invited by a friend of his mother-in-law to make a backyard vegetable garden. After a week's work, he was given his pay reimbursement of the transport and a lot of goods for his family. The family said that he can bring his vegetables to the city once in a while and they would exchange it with goods. So once a month, Carding would trade his vegetables with his *suki* (regular customer) and bring home lots of goods for family use. He was so happy to bring home imported goods.

"Nalipay gyud ko ug dako hasta akong pamilya kay kadto pa god mi makatilaw ug imported nga karnenorte ug kape. Unya daghan pa gyud kaa nga chocolates. Gawas sa ilang gihatag nga mga sinina ug coat. (Me and my family were so happy because this was the first time we tasted imported corned beef and coffee. There were also lots of chocolates aside from the clothing and coat.)"

The goods to goods barter of farmers depict the Filipino culture of sharing, *utang na loob* (gratitude) and the value of *pakikipagkapwa-tao* (relating with people). This indigenous Filipino

trait is the regard for the dignity of others and being with them. It consists of all levels of interaction with one's fellowman in times of crisis, or celebrations. This is embodied in the concept of neighborliness like mutual visiting and exchange of food (Mckay, 2010).

Goods to Service or Service to Goods Barter System. *Bayanihan* is one practice among farmers wherein farmers work or help in the harvest in other farms. In return, the farm owner would also do the same to those farmers who helped him work in the farm without counting the cost. Farmers do not think of equitable work before. *Bayanihan* connotes any instance when members of a community offer each other mutual support, regardless of their personal differences (Matthews, 1998). This barter of services is still practiced in the countryside particularly among farmers.

According to *Mang Luis* of Lamac, in the olden times, barter of services was without counting the cost or price. Farmers were just willing to help one another especially to those who do not own carabaos for plowing their fields. After work, the community of farmers just enjoy the day in a *tuba* (local wine) store, drinking their tiredness away. Until the present time, Lamac farmers still practice barter of services but with minor modification. Services should be equitable between the bartering parties in terms of the number of days of work. If they could not repay in terms of equitable service, then the farm owner would pay them with farm goods or other goods equitable to the services. One farmer plows the field for weeks in order to be given a television set which he thought was of higher value than the worth of the daily compensation. Another farmer worked for days in exchange of fertilizers.

Guadalupe farmers do not have barter of services because they usually have people to work for them in the mango farm. The small scale root crop farmers also have their family members to work in their farm.

Caputatan farmers are usually tenants or workers in the sugar haciendas. Thus, they are paid by their landlords. But sometimes, instead

of money, they would go to the store of the landlord and get goods equivalent to their pay. Hence there are times that they get credits and pay this with farm labor. *Mang Carding* thought that this is to their disadvantage because some of the goods are priced more than the other stores. They have no choice because they are not given money. They could be given money if the goods are not found in the store.

The barter of services and goods shows the value for work and money. It simply shows that in the modern times there is limited free service even among Filipinos who are known for their *bayanihan* spirit. This change in perspective about *bayanihan* spirit clearly manifests that Cebuanos have become entrepreneurial – business is business.

Extended Barter Trade. Extended barter trade was practiced by *Mang Gido* of Guadalupe. It is a form of barter that the bartered goods are not used personally or used in the household but are sold for profit. Just like the other farmers, *Mang Gido* has already *suki* in the city for the barter of his farm goods.

One time, the exchange goods for his vegetables and sweet corn were all used clothing, bags and other personal things. Upon reaching home, his children and wife chose what they liked but still there were many things left. So he sold these to his neighbours at a very low price. All the exchanged goods were sold out with proceeds more than the cost of a sack of *kamoteng kahoy*. This was the beginning of his extended barter trade and his becoming an entrepreneur. Thus, he is now selling *ukay-ukay* (used clothing) through his barter trade. This time he has more profit.

Extended barter was not practiced by farmers in Lamac and Caputatan. But Lamac farmers just share their goods with relatives or neighbours. The extended barter scheme has turned a farmer into an entrepreneur which gave the farmer a better profit for his farm goods. In the future, this practice can be a tool for marketing and business.

Themes. The barter of farm goods and services among Cebuano farmers revealed the nature and culture of Filipinos. By nature, Filipinos are peace loving people thus they never care to match the prices of what they give to the farmers with what they receive. Their happiness is in the giving to the farmers whom they think needed more than what they do. On the

other hand, the farmers who wanted to exchange the kindness of their barter partners were ever willing to bring something they can share.

The practice of barter may have been done for profit, but beyond this objective lays the value of maintaining a good relationship. Most barterers were not done by farmers to just anybody, but to familiar persons they have already known; thus barter seems to work out as exchanging of gifts. Hence, barter was not always used as a tool for marketing. It can now be used as a tool to build strong relationships with friends or even relatives.

V. CONCLUSION

Barter is of great benefit to the farmers not only as a marketing tool but as a means to do service and build relationships. Since barter has survived and been revived in many places until this modern time, then it has its own share of advantages for the farmers.

VI. RECOMMENDATIONS

Barter is not only beneficial to farmers but for everyone who wants to exchange their goods with what they want. So the following are suggested for those who are interested to do barter:

1. List what you have and what you need. Post it in the internet or create your own barter place and place the announcement.
2. Make flyers and disseminate. Meet people and be known of what you want to do. Then encourage them also to do barter.
3. Organize a community barter center where one can exchange his goods immediately.
4. Invite farmers to bring their goods to the center and exchange them with what they want.
5. Having a farmers' cooperative as a barter center could be the best model for bartering farm goods.

VII. PROPOSED MODEL FOR BARTER SYSTEM FOR FARMERS

This proposed model is conceptualized together with the wisdom of the farmer informants. It began with the question of what ifs.

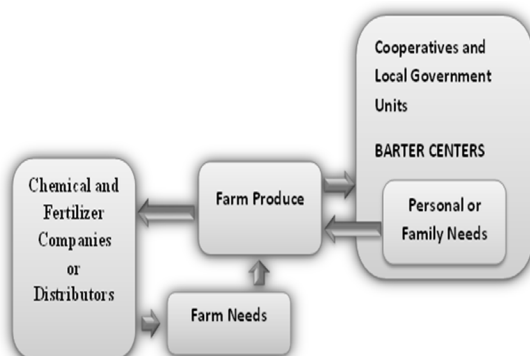
- What if we involve cooperatives in the barter?

- What if we invoke local government to assist farmers in the barter?
- What if we encourage distributors of fertilizers and chemicals to come in as barter partners (just like in other countries)?

The proposed barter model shows that all of these entities that can help farmers produce better farm goods, store their goods and market their goods, are involved. Hence it is imperative that farmers form their own cooperatives so they could work as an organization and empower themselves to make transactions and interactions with other farmers and stakeholders.

The model shows the simple flow of processes. Farm chemical and fertilizers which are needed for the plants can be availed by farmers through barter from companies or distributors. A contract between the two parties can ensure farmers of a ready supply of chemicals and fertilizers. When farmers have their produce, they can bring these in barter centers of the chemical or fertilizer companies instead of paying for the goods. When farmers have organized barter centers or own cooperatives, they can exchange their farm produce with other food, goods or gadgets needed in the household. These centers or coops can be organized with the assistance of the local government unit. The operation of these barter centers has to be legalized and institutionalized to give farmers security for overpricing. In exchange of their farm produce, farmers get what they need for their families which can be valued more than the prevailing retail market price.

Figure 2. Barter Model for Farmers.



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